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SUBJECT: EAP DAS Eric John's Meeting with Deputy Prime Minister Vu Khoan

11. (SBU) Summary: During EAP DAS Eric John's September 27 meeting with Deputy Prime Minister Vu Khoan, the Deputy Prime Minister urged the United States to conclude at an early date its bilateral WTO negotiations with Vietnam for both economic and political reasons. DPM Khoan also pressed the United States to remove Vietnam from the list of Countries of Particular Concern and expressed his Government's desire for U.S. assistance in drawing up an APEC 2006 roadmap. DPM Khoan also stressed the importance of continued cooperation in the areas of health, education and defense. Both DAS John and DPM Khoan agreed on the primacy of APEC among regional groupings, and the Deputy Prime Minister welcomed the USG's commitment to strengthening relations with ASEAN and working with Vietnam to address regional and multilateral issues. End Summary.

12. (SBU) EAP DAS Eric John met for nearly an hour September 27 with Deputy Prime Minister Vu Khoan. He was joined by the Ambassador, EAP Mainland Southeast Asia Director Director Scot Marciel, Pol/C and PolOff. MFA Americas Department Director and Assistant Minister Nguyen Duc Hung, Office of the Government External Affairs Deputy Director Nguyen Thu Do and a number of other GVN officials were also in attendance. The meeting was well attended by television and print media, which provided favorable coverage. DAS John and DPM Khoan opened their meeting by exchanging condolences on recent hurricane and typhoon damage suffered in both the United States and Vietnam, with DAS John thanking the Government and people of Vietnam for their generous support and donations.

13. (SBU) Agreeing with DAS John's assessment that the U.S.-Vietnam relationship is moving in the right direction and has a bright future, DPM Khoan quoted the June Joint Statement's reference to the two countries' "constructive partnership with a long-term basis." With this in mind, now is the time to create a timeframe for both sides to take actions, the Deputy Prime Minister said. The next bilateral milestone will be President George W. Bush's visit to Vietnam next November. While the Prime Minister's trip to the United States "opened the door" for the two countries' ties, the President's visit will "lay a new foundation" for them. To that end, there are three areas on which the two countries should focus: implementing agreements reached by the two countries' leaders; overcoming remaining obstacles in the bilateral relationship; and promoting mutual cooperation within regional groupings, particularly APEC.

Implementing Bilateral Agreements

14. (SBU) Regarding the implementation of bilateral political pledges, both leaders agreed that a bilateral dialogue mechanism should be established on a broad basis, DPM Khoan continued. The areas of discussion can be more than human rights and should include varied bilateral and multilateral subjects. On economic pledges, both sides should continue to work on both implementing the Bilateral Trade Agreement and bringing to a close their WTO negotiations. A successful conclusion to the bilateral WTO talks would be a clear demonstration of U.S. support for Vietnam's "doi moi" (renovation) policy. Vietnam is now in the process of accelerating its reform program, and 2006 will be a significant year, DPM Khoan stressed.

15. (SBU) Furthermore, as Vietnam has concluded bilateral WTO negotiations with 21 countries, including major economies, there is no reason why it could not do the same with the United States at an early time, DPM Khoan averred. Vietnam is not asking very much of the United States in its WTO talks and simply hopes that the United States considers Vietnam to be a developing country still at a low level. Vietnam's WTO accession requirements should not be greater than those of China. The U.S.-Vietnam WTO negotiations can send an important signal, both political and economic, to the rest of the world.

16. (SBU) In terms of other forms of cooperation, health issues such as HIV/AIDS and avian influenza are important

areas for both countries to focus on, and there is much work to be done, DPM Khoan continued. Education collaboration is another positive area, and security and defense cooperation, including implementing the International Military Education and Training (IMET) program, is also important. In short, both the United States and Vietnam have a number of high-level commitments to put into practice before President Bush's visit to Vietnam, DPM Khoan said.

Overcoming Bilateral Obstacles: CPC

17. (SBU) In terms of addressing bilateral obstacles, DPM Khoan expressed his Government's hope that the United States will remove Vietnam from the Country of Particular Concern (for religious freedom violations) list.

Regional Cooperation

18. (SBU) Turning to regional cooperation, DPM Khoan said there are three important areas for both countries to work on. The first is APEC. After the Busan Leaders' Meeting, the United States and Vietnam should draw up an APEC 2006 roadmap. The GVN is pleased that U.S. APEC Senior Official Ambassador Michalak will travel soon to Vietnam to discuss this matter.

19. (SBU) Secondly, although the United States is not directly involved in the East Asian Summit (EAS), Vietnam understands that there is still great interest in this subject, DPM Khoan said. Vietnam's position is that the EAS should not be a mechanism to overshadow other regional organizations and mechanisms but rather to supplement or complement them. It will not be possible for the EAS to replace APEC. Indeed, DPM Khoan continued, Vietnam has no idea how the first EAS in Kuala Lumpur will go. Vietnam's policy is that ASEAN should have the lead role and that the EAS should be open and transparent.

110. (SBU) Thirdly, Vietnam understands why the Secretary was unable to attend the ASEAN Regional Forum (ARF) in Vientiane in July, but nonetheless hopes that the United States not create the feeling that it does not respect ASEAN, DPM Khoan observed. Vietnam is concerned that the vacuum created by a U.S. absence could be filled by another country. Regarding its close neighbors Cambodia and Laos, Vietnam attaches great importance to relations with them, and Prime Minister Hun Sen is about to visit Vietnam. The situation in Cambodia is "very serious," and the world community should seek ways to encourage Cambodia to develop in the right way to secure peace, stability and prosperity, DPM Khoan said.

WTO

111. (SBU) Returning to the subject of Vietnam's WTO aspirations, DPM Khoan said that the United States and Vietnam should meet again soon, "in October." Although Vietnam does not have much money, it nonetheless is willing to send its team to Washington in order to achieve progress and move closer to concluding the bilateral talks. Concluding, DPM Khoan said that, if the United States and Vietnam can conclude all the tasks before them, there would be a new foundation for long-term relations. The subject of how both countries should move forward together will likely be a subject of discussion between President Bush and Vietnam's leaders, DPM Khoan said.

U.S. Committed to Vietnam's WTO Accession

112. (SBU) DAS John observed that DPM Khoan had clearly enumerated the bilateral relationship's successes and challenges. One clear success has been the economic and trade relationship, with the BTA as the floor upon which we are working towards Vietnam's WTO accession. The United States has a firm commitment to help Vietnam accede to the WTO, and we are very close to concluding our discussions. Moreover, while tough issues remain for Vietnam to address, the United States remains committed to cooperating to conclude successfully our negotiations. We believe that Vietnam's ultimate accession will set the gold standard for WTO entry, DAS John said. On health issues, our PEPFAR commitment is substantial, and the United States hopes to ramp up its avian influenza efforts to meet the needs that clearly exist.

113. (SBU) President Bush's planned APEC visit to Vietnam is a good target for our two countries to have in dealing with all of the issues before us, DAS John continued. As good as bilateral relations are now, our efforts in the run-up to APEC can make our ties even stronger. This will also be an opportunity to showcase our bilateral ties not only to the peoples of both our countries but also to the broader world community.

Religious Freedom, Human Rights, Transnational Issues

14. (SBU) While we do face challenges ahead, we have seen progress in the area of religious freedom, DAS John said. We believe we have a good work plan to deal with our religious freedom and broader human rights concerns, not only thanks to our recent religious freedom agreement but also because of our planned results-based Human Rights Dialogue. Furthermore, in terms of law enforcement, counterterrorism and trafficking issues, both the United States and Vietnam have genuine concerns in these areas and should have the will and ability to work together more closely.

Regional Organizations

15. (SBU) In terms of multilateral cooperation, preparations for APEC will provide us with an important opportunity to cooperate, and we look forward to Ambassador Michalak's visit to Vietnam, DAS John said. Furthermore, although the Secretary could not attend this year's ARF, she committed to

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attend next year's meeting in Malaysia, and DAS John himself will lead the U.S. delegation to the ARF Inter-Sessional Group meeting in Honolulu in October. The United States will begin negotiations there for a U.S.-ASEAN Enhanced Partnership to demonstrate our level of commitment to the group, DAS John stressed.

Burma, Cambodia

16. (SBU) Increasingly, the United States sees Vietnam as a true partner in the region, DAS John continued. Although we may have different tactics, our goals are shared. Burma is a case in point. Vietnam believes in engagement, and this is something the United States will not discourage, although we disagree with it. We have the same goal of seeing better lives for the Burmese people and having Burma's leaders take responsibility for the well-being of their citizens and implement their long-standing democratic commitments. Burma's closed society and narcotics production are beginning to make it a threat to Southeast Asian stability, and this is something Vietnam and its ASEAN partners need to address. On Cambodia, the United States shares with Vietnam the goal of stability and prosperity, and this can be achieved with a political system in which all can participate, including the political opposition.

17. (SBU) In closing, DPM Khoan said U.S.-Vietnam relations should be a partnership based on mutual interests and benefits. Vietnam shares with the United States the goal of Southeast Asian stability, development and prosperity. For its part, Vietnam seeks to promote friendship and cooperation between the nations of Southeast Asia and all major countries, including the United States. To that end, the United States and Vietnam can and should establish a true partnership both on a bilateral basis and within a multilateral framework, DPM Khoan concluded.

Comment

18. (SBU) Although DPM Khoan had just returned from viewing the extensive coastal damage caused by Typhoon Damrey, he was still focused on the meeting at hand and easily conversant in both bilateral and regional issues. As in past meetings with USG and Embassy officials, the Deputy Prime Minister used an interpreter only when speaking.

19. (SBU) Comment, cont'd: DPM Khoan's reference to 2006 being a "significant year" is a nod to the Communist Party's Tenth Congress, scheduled for the first half of 2006. The issue of Vietnam's "doi moi" (renovation) policy -- and its continued pace and scope -- will loom large in the Party Congress' deliberations (and the preparatory discussions beforehand), and whether and when Vietnam makes it into the WTO will influence these internal discussions. End Comment.
20. (U) DAS John cleared this cable.

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